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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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GREENSTREET FINANCIAL, L.P., a
Delaware limited partnership,

Plaintiff,

-against-

1:07-cv-08005 (KNF)

CS-GRACES, LLC, a New York limited
liability company, RH LODGING SERVICES,
LLC, a New York limited liability company,
and ALAN FRIEDBERG,

Defendants.

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CS-GRACES, LLC and RH LODGING
SERVICES, LLC,

Third-Party Plaintiffs,

-against-

SHERYL SMUL, SHERYL SMUL
GRANTOR ANNUITY TRUST and
ALAN G. FRIEDBERG,

Third-Party Defendants.

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**AFFIDAVIT OF ALAN G. FRIEDBERG
IN SUPPORT OF THE MOTION OF SHERYL SMUL AND THE
SHERYL SMUL GRANTOR ANNUITY TRUST FOR SUMMARY JUDGMENT**

STATE OF NEW YORK }
 }
COUNTY OF SULLIVAN }

I am over 18 years of age, suffering from no legal disability and fully competent to make this affidavit. The statements contained in this affidavit are true of my own knowledge, unless stated on information and belief, in which case I believe them to be true. I make this affidavit in support of the motion of Sheryl Smul and The Sheryl Smul Grantor Annuity Trust for summary judgment dismissing the Third Party Complaint in the above-captioned civil action.

1. I am the sole beneficiary of the Sheryl Smul Grantor Annuity Trust, a Florida trust (the “Smul Trust”).

2. The Smul Trust was originally the sole member of RH Lodging Services, LLC (“RH Lodging”).

3. The primary asset of RH Lodging was The Lodge at Rock Hill, a renovated, upscale motel located in Rock Hill, New York. Companies in which I had an interest, or that I managed, renovated and developed The Lodge at Rock Hill.

4. Upon the Smul Trust’s acquisition of ownership of RH Lodging and at all times thereafter through January 30, 2006, I acted as the Smul Trust’s managing agent for its investment in RH Lodging and for its interest in the operation of The Lodge at Rock Hill.

5. By that certain Amendment to Operating Agreement of RH Lodging Services, LLC, effective October 30, 2001, a true and correct copy of which is annexed as Exhibit 1, the Smul Trust sold a 50% interest in RH Lodging to CS-Graces, LLC (“CS-Graces”), while retaining a 50% interest.

6. Effective January 30, 2006, the Smul Trust divested itself of its remaining 50% interest in RH Lodging to CS-Graces.

7. A true and correct copy of the January 30, 2006 contract for the divestiture of the Smul Trust's remaining 50% membership interest in RH Lodging and the transfer of that interest to CS-Graces (the "Divestiture Agreement") is annexed as Exhibit "2". The Divestiture Agreement has not been modified. No subsequent writing has been executed by the parties and signatories to the Divestiture Agreement that in any way affects the terms or provisions thereof.

8. Mr. Joseph Tso, the owner of a 49% interest in CS-Graces and its lawyer, represented CS-Graces's interests in connection with its investment in RH Lodging and the operation of The Lodge at Rock Hill, from CS-Graces's initial acquisition of its 50% interest therein effective October 30, 2001 until the effective date of the Divestiture Agreement on January 30, 2006. (*See* Exhibit 1 at paragraph 8.)

9. During the same period (October 30, 2001 to January 30, 2006), I represented the interests of the Smul Trust with respect to its investment in RH Lodging and the operation of the Lodge at Rock Hill, and worked fairly extensively with Mr. Tso during such time in regard to those matters, and others.

10. Based upon my several years of this working relationship with Mr. Tso in connection with RH Lodging and The Lodge at Rock Hill, I came to know him as an attorney with a transactional practice, and a particular focus on commercial real estate development and sales in the hospitality industry. He formerly practiced with his own firm, Kooperman, Kooperman & Tso in Ellenville, New York, and has more recently associated himself with the firm of Kalter, Kaplan, Zeiger & Forman, with offices in Woodbourne, New York and Ellenville, New York.

11. Mr. Tso is also an experienced hotel and commercial real estate broker. His law practice and commercial real estate brokerage activities extend well over 30 years.

12. At all times relevant to this action, from October 30, 2001 when CS-Graces first acquired a 50% interest in RH Lodging from the Smul Trust through the effective date of the Divestiture Agreement on January 30, 2006 when CS-Graces acquired the Smul Trust's remaining 50% interest in RH Lodging, CS-Graces acted by and through Joseph Tso, as its managing agent and as its lawyer.

13. Mr. Tso negotiated the Divestiture Agreement on behalf of CS-Graces and represented CS-Graces as its attorney in connection with the closing of that transaction.

14. A true and correct copy of the Smul Trust's 50% membership certificate in RH Lodging is annexed as Exhibit 3.

15. The Smul Trust's 50% membership certificate in RH Lodging, *see* Exhibit 3 hereto, was at no time held in a securities account prior to the January 30, 2006 effective date of the Divestiture Agreement.

/s/ Alan G. Friedberg
ALAN G. FRIEDBERG

Sworn to before me
this 10th day of August, 2008.

/s/ Michael D. Pinsky
NOTARY PUBLIC

MICHAEL D. PINSKY
Notary Public, State of New York
No. 02PI5057107
Qualified in Orange County
Commission Expires 4/28/2010